

allowed them to drop it out of their contract. Now, what are the facts? My hon. friend (Mr. Foster) said that the price the American company had offered to do the stamped envelopes for was an unremunerative price. I do not blame him for thinking that, because his idea of what is a fair price is the price that can be gathered from Mr. Burland's tender. He does not seem to have any other idea of what is a fair price, and when he finds that the tender of the Burland company was \$2.50 and \$3 a thousand for stamped envelopes, and that the tender of the American company was \$1.50 and \$1.75 per thousand, he sees there was a material difference, and possibly the hon. gentleman (Mr. Foster) was justified in thinking that probably that was an unremunerative price.

Mr. FOSTER. That helps my argument.

The MINISTER OF FINANCE. Exactly, it helps it; but if my hon. friend would read the letter of Mr. Barber which he will find at page 35, he will get some interesting information in respect to the stamped envelopes. In the letter of the Barber & Ellis Company, dated 21st November, 1896, there is some interesting reading; there is for example this sentence, which I do not know anything about except that I find it in the letter:

We might say that we have employed an experienced steel engraver from New York to visit Ottawa to examine the samples, and on his recommendation have made up our prices. He found on examination that supplies had been delivered that were not steel plate work.

I do not know what foundation there is for that.

Mr. FOSTER. Not the least.

The MINISTER OF FINANCE. Well, the Barber & Ellis Company give it upon the authority of an expert engraver, who probably is a better judge than either my hon. friend or myself. However, I did not read it for the purpose of endorsing it; I frankly admit that on that point I have no knowledge, and I offer no opinion. But down at the conclusion of the letter you will find the following passage:—

We would ask your attention to the prices we are prepared to supply stamped envelopes. The prices that are at present paid are practically prohibitive, as no consumer will pay the difference between the stamped and the plain envelope. As the whole amount used annually only amounts to three or four hundred dollars, we would urge the Government to reserve the right to cancel that portion of the tender at any time, as we are prepared to lay before your department a plan very much in line with that adopted in the United States, and we are confident that the consumption of stamped envelopes would very soon amount to as much per week as they do now in the whole year, and they could be sold at such a price as to yield the Post Office Department a large annual revenue.

Now, Sir, in looking over the matter we

found that the stamped envelope provision in the contract was not a very important element, and it was left out of the contract simply because our attention had been called to the fact that it was hardly to be regarded as in the same line as the engraving. It was shown that it could be done under conditions different from those which necessarily surrounded the engraving, and we were led to believe that the work would probably be done as cheaply, and perhaps more cheaply elsewhere, than by insisting on having it done as part of the engraving contract. When my hon. friend (Mr. Foster) says that we left it out of the contract in order that we might relieve the American Bank Note Company of a piece of work that was unremunerative, and which they were glad to get rid of, I would call his attention to the fact that while the prices of the American Company for stamped envelopes were \$1.50 and \$1.75 per thousand, the tender of the Barber & Ellis Company to do the same work was \$1.25 per thousand. Therefore, it could not have been dropped out of the American Bank Note Company contract because the price was remunerative, when the Barber & Ellis Company was prepared to do it at a lower price.

Mr. FOSTER. How many would they do?

The MINISTER OF FINANCE. They would do as many as we wanted.

Mr. FOSTER. Two hundred thousand?

The MINISTER OF FINANCE. Their proposal was that they would do just as many as we wanted. I call attention to the fact that we left the stamped envelopes out of the contract, because we discovered that they could be conveniently done in the ordinary way of printing, and my hon. friend the Postmaster General is now free to make a new and special contract if he chooses with the Barber & Ellis Company, or with any one else, for these stamped envelopes; or, to have them done, as he probably will have them done, and as I believe is his intention, by the Government Printing Office in Ottawa.

I believe, Sir, that in this matter, we must always get back to the main question of the difference between the tender of the American Bank Note Company and the tender of the British American Bank Note Company. I wonder what risk there is involved in accepting the tender of the American company. One would suppose from the statement of my hon. friend (Mr. Foster) that there was something very dangerous in it. Now, the method this company proposes to adopt in dealing with this business is set forth in their own letter which is to be found on page 47. They say:

It is our intention to submit a model, or models, of each instrument, note, stamp or card, exhibiting the same just as it will appear when printed from the engraved plate, for the approval